



Contingency Contracting Training



Contracting Processes

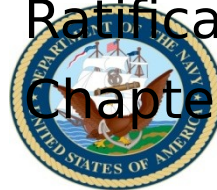


Chapter 5 in DCC Handb



Overview

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Chapter Acronyms



Key Points

- In any contingency operation, quality acquisition support to the commander is critical to mission accomplishment
- The absence of direction should be interpreted as permitting innovation and the use of sound business judgment
- A wide selection of contract types are available in order to provide needed flexibility in acquiring the supplies and services required. Most contingency purchases can be accomplished with Simplified Acquisition Procedures
- CCOs should put more of an emphasis on price negotiations, even if you have competition, at sustained/established locations
- The type of contract selected determines both the clauses to be included and the degree of risk accepted by the government
- The objective is to select the contract type that places a reasonable degree of risk upon the contractor and provides the contractor with the greatest incentive to perform efficiently and economically





Introduction

CCOs have an ethical obligation to abide by laws and regulations, but can refer to [FAR 1.102 \(4\)\(e\)](#) when guidance is not clear; think outside the box!

*It is the CCO's job to facilitate the purchasing needs of our customers *





Introduction

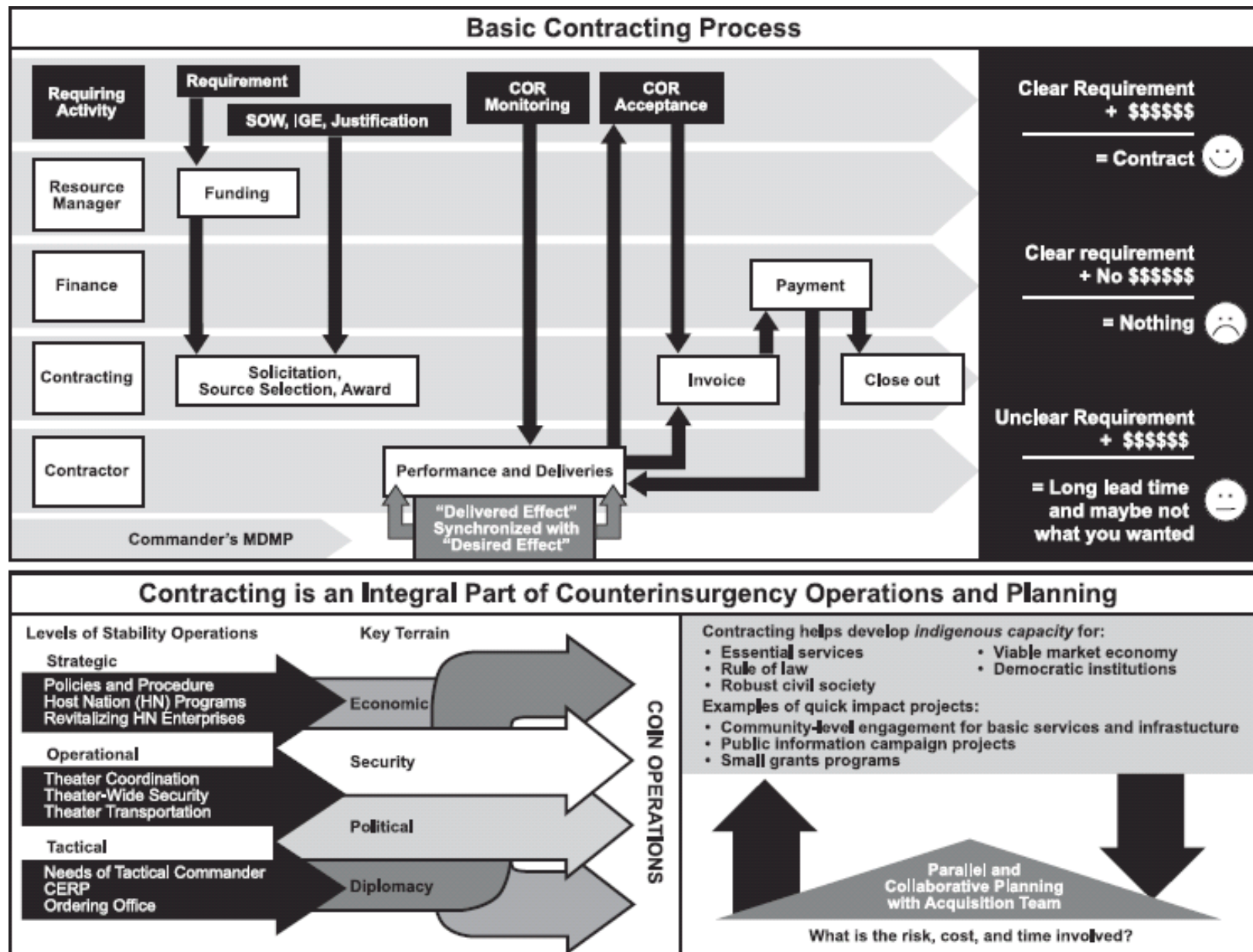


Figure 5. Basic Contracting Processes



Simplified Acquisition Procedures

- Simplified Acquisition Procedures (SAP) are streamlined purchasing methods used to expedite support to the war fighter and reduce administrative lead times ([FAR Part 13](#))
- Use SAP to the maximum extent practicable for all purchases of supplies/services not exceeding the Simplified Acquisition Threshold (SAT)
 - Includes purchases at or below the micro-purchase threshold





Simplified Acquisition Procedures

Competition Requirements Under SAP:

- CCO *must* promote competition to the maximum extent to obtain supplies/services from a fair offer that is most advantageous
 - Generally, obtain by soliciting ***at least three*** quotations or offers from sources within the local trade area
 - Competition requirements are not waived by use of the SAP
- Micro-purchases – the CCO needs to support price reasonableness, distribute equitably among qualified suppliers
 - May be awarded without soliciting competitive quotations if the CCO considers the price to be reasonable [FAR 1.603-3\(b\)](#)





Micro-purchases

Government Purchase Card (GPC):

- Preferred method of purchasing supplies or services within the micro-purchase threshold
 - Subject to all applicable provisions of [FAR 13.2](#) and [DFARS 213.270](#)
 - May not be readily accepted in many locations in a contingency situation
 - When GCPC is not accepted, an [SF44](#) may be used
- CCOs may also use the GPC to support a contingency to buy immediately available supplies or services that will be delivered at one time up to the applicable SAT, per [DFARS 213.301\(3\)](#)





Micro-purchases

Imprest Funds and Third Party Drafts:

- Immediate cash payments of relatively small amounts for authorized supplies and nonpersonal services
 - Established by an advance of funds to a duly appointed cashier
 - [FAR 13.305](#) and [DFARS 213.305](#)
- These are no longer standard instruments in the DoD, but can be established for contingencies if a waiver is granted
 - Should be used as a last resort, given the significant security requirements for securing the money
- SF 44 (and 3in1 Tool) and GCPC have eliminated the need for imprest funds





Contract Types

Selecting Contract Types: [FAR 16.101](#)

- A variety of contract types provide the flexibility needed to acquire the large variety of supplies and services used in DoD.
- Contract types vary according to:
 - The degree and timing of the responsibility assumed by the contractor for the costs of performance
 - The amount and nature of the profit incentive offered to the contractor for achieving or exceeding specified standards or goals





Contract Types

Contract types include:

- Fixed-Price
 - Firm-Fixed-Price
 - Fixed-Price with EPA
 - Fixed-Price Incentive
- Cost-Reimbursement
- Incentive Type
- Time and Materials / Labor Hours
- Indefinite Delivery
 - Definite Quantity
 - Indefinite Quantity
 - Requirements
- Letter and Undefined Contract Actions (UCAs)





Contract Types

Fixed Price Contracts, [FAR 16.2](#):

- Government must be able to describe exactly the required results and allow the contractor the flexibility to plan, manage, and execute the work to achieve those results
1. Firm-fixed-price (FFP) contracts: provides for a price that is not subject to any adjustment on the basis of the contractor's cost experienced in performing the contract
 - Places upon the contractor maximum risk and full responsibility for all costs and resulting profit or loss
 2. Fixed-price contracts with economic price adjustment
 3. Fixed-price incentive contracts—determination and findings (D&F) required





Contract Types

Cost-Reimbursement Contracts, [FAR 16.3](#):

- The contractor agrees to provide its best effort to complete the required contract effort
 - Generally labor intensive and large dollar
 - Provide for payment of allowable incurred costs
 - Should be used when uncertainties involved in contract performance do not permit costs to be estimated with sufficient accuracy
 - CCOs should ensure that the Allowable Cost and Payment Clause ([FAR 52.216-7](#)) is included and flows down to cost-type subcontracts
- Generally, the CCO will not be involved in cost-type efforts, unless deployed as an administrative CO with DCMA or deployed into security, sustainment, transition relief, and reconstruction activities





Contract Types

Time and Materials/Labor Hour Contracts,

[FAR 16.6](#):

- Contractor agrees to accomplish a specific requirement for services at pre-determined hourly rates
- Useful and appropriate in contingency contracting situations in which the need for services is clearly understood, but the particular parameters of the required labor or materials cannot be definitively established at time of contract award
- CCOs should ensure that the inspection clause ([FAR 52.246-6](#)) is included in all T&M/LH contracts and be prepared to reduce the labor category hourly rates paid to contractors who are required to reperform prior work that was found to be unacceptable when initially performed





Contract Types

Indefinite Delivery Contracts:

- A reoccurring requirement, but the specifics (e.g. exact time, quantity, and material) are not known in advance
- Definite Quantity Contracts, [FAR 16.502](#)
 - delivery of a definite quantity of specific supplies or services for a fixed period, with deliveries or performance to be scheduled at a designated location, time, and date upon placement of the order
- Indefinite Quantity Contract, [FAR 16.5](#) and [DFARS 216.5](#)
 - Recurring need is anticipated, but the government cannot predetermine the precise quantities that it will need during a fixed contract period
- Requirements Contract, [FAR 16.503](#)
 - Fills all actual purchase requirements of designated activities during a specified contract period with deliveries to be scheduled by the timely placement of orders upon the contractor





Contract Types

Letter Contracts and Undefinitized Contract Actions (UCA), [DFARS 217.74](#):

- Any contract action for which the contract terms, specifications, or price are not agreed upon before performance begins
- Requests for approval to issue a UCA shall include a written statement of urgency, [DFARS 217-.7404](#)
- UCA approval authorities shall establish procedures for RCC chiefs to track UCAs and submit a written report to them for any UCA that is not definitized within 180 days after the contractor submits a qualifying proposal





Considerations for Contract Type Selection and Risk Assessment

- CCO makes the decision on the type of contract to use depending upon the facts surrounding the individual acquisition
- The objective is to select the contract type that places a reasonable degree of risk upon the contractor and provides the contractor with the greatest incentive to perform efficiently and economically
- Consider the factors in [FAR 16.104](#), as well as the stability and predictability of the requirement, the specificity of the description of work, the known track records of the available contractors, and the general acquisition environment





Considerations for Contract Type Selection and Risk Assessment

Consider Commerciality of the Requirement,

[FAR 12.207](#):

- When acquiring a commercial item, CCO should normally should use an FFP or FFP-EPA contracts, [FAR 12.207\(a\)](#)
- You may use a time and materials or labor hour contract under certain circumstances if you can determine that no other authorized contract type is suitable, [FAR 12.207\(b\)](#)

Consider Acquisition Method:

- Simplified Acquisition is normally firm-fixed-price
- Negotiation ([FAR Part 15](#)) – Any contract type or combination of contract types that will promote the best interests of the government (and in accordance with [FAR Part 16](#)).





Considerations for Contract Type Selection and Risk Assessment

Consider Cost Risk:

- Requiring contractors to accept unknown or uncontrollable cost risk can endanger contract performance, substantially reduce competition, or substantially increase contract price
- CCO appraisal of cost risk should consider two areas of particular concern:
 - *Performance Risk*: Most contract cost risk is related to contract requirements and the uncertainty surrounding contract performance—the lower the uncertainty, the lower the risk; appraisal of cost risk should begin with an appraisal of performance risk
 - *Market Risk*: Changes in the marketplace will also affect contract costs





Determinations & Findings

Determinations and Findings (D&F):

- Written approval by an official required before taking certain contract actions; ordinarily for an individual contract action
- The “determination” is a conclusion supported by the “findings”
- “Findings” are statement of fact or rationale essential to support the “determination” of the statute or regulation
- Each D&F shall set forth enough facts and circumstances to clearly and convincingly justify the determination made





Justifications & Approvals

Justifications & Approvals, [FAR 6.303](#):

- J&A needed when awarding contracts without full and open competition, must ensure fair and reasonable price is achieved
- Exceptions to J&As are in [FAR 6.302](#), including unusual and compelling urgency (common for a contingency), but be aware of others
- Exemptions from J&As for new contracts and modifications include:
 - Acquisition is made using the SAP ([FAR Part 13](#))
 - Contract modifications within scope and under terms of an existing contract
 - Orders under Requirements or Definite Quantity contracts, [FAR Part 16.5](#)



- CCOs should be aware of class I&As and IACRs for their AOR



Lease or Purchase

- Equipment Lease or Purchase
 - Pursuant to [FAR 7.4](#), consideration of whether to lease or purchase equipment should be based on a case-by-case evaluation of comparative costs and other factors
 - Leases are either capital or operating leases, funded in accordance with [FMR 7000.14-R](#)
- Nontactical Vehicle (NTV) Lease or Purchase:
 - Recent [DOD-IG report](#) identified problems associated with not properly managing NTVs and not centralizing their purchase
 - Often leads to more expensive leases and purchases
 - CCOs should review applicable procurement restrictions with the General Services Administration





Lease or Purchase

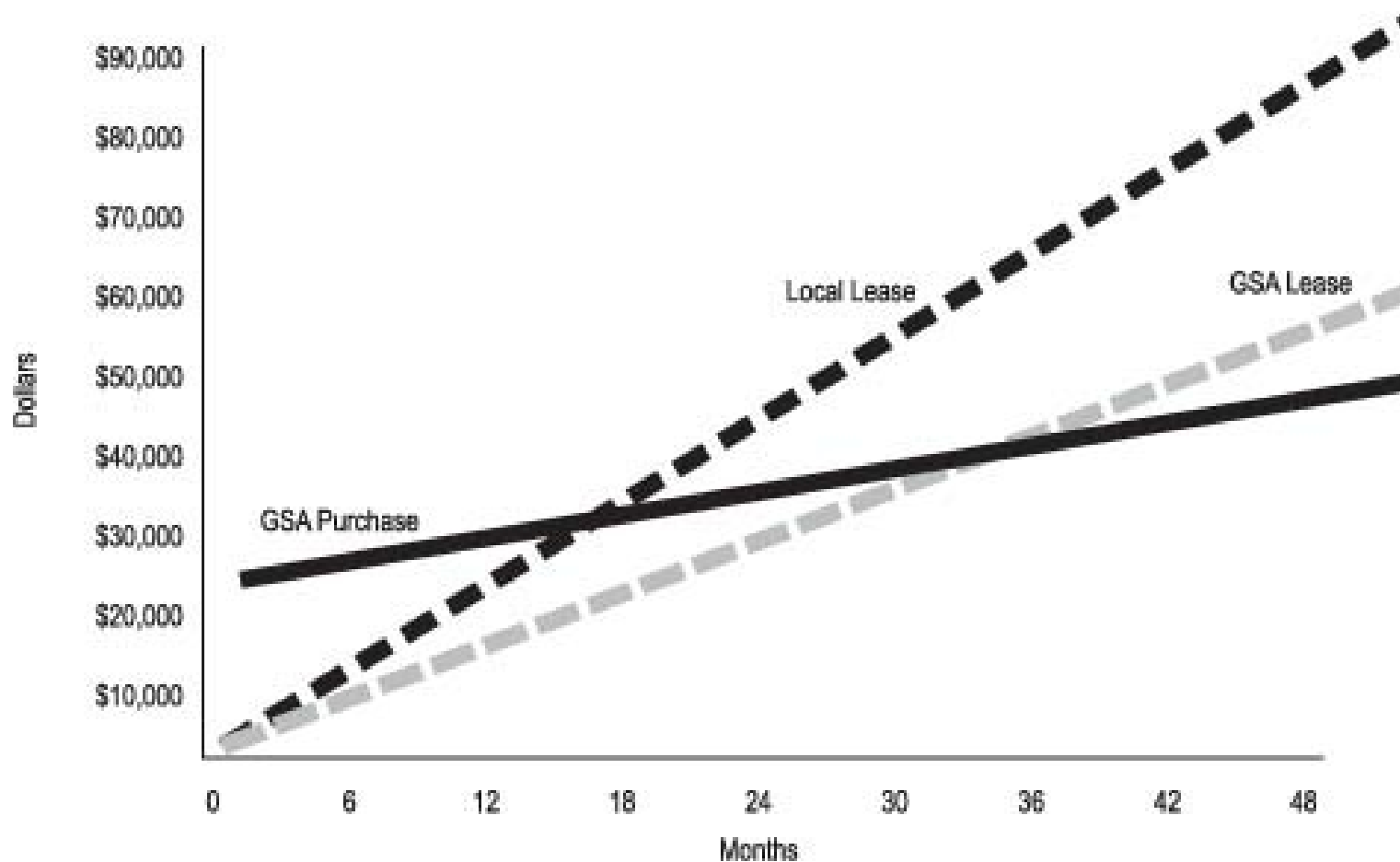


Figure 7. Average Cost of NTVs Over Time Using Different Acquisition Approaches

Source: DoD IG Report 10-022 (<http://www.dodig.mil/audit/reports/fy10/10-022.pdf>)





Publicizing Contract Actions

Publication of Contract Actions:

- CCOs required to publicize contract actions to increase competition, [FAR 5.002](#), [FAR 5.101\(a\)\(2\)](#)

Synopsis of Requirements in FedBizOps:

- A CCO can unilaterally determine that a particular requirement need not be synopsisized in FedBizOps under fourteen specific circumstances set forth in [FAR 5.202\(a\)](#)
- Careful consideration should be made if an exception might apply
 - Local contracting policies may require some form of posting or prior notification to potential offerors/bidders, even if the proposed action does not have to be synopsisized in FedBizOps.





Publicizing Contract Actions

Oral Solicitations:

- Authorized when a written solicitation would delay the acquisition of supplies/services to the detriment of the government and when a solicitation notice is not required under [FAR 5.202](#)
- Typically used as a last resort due to potential problems. They must be immediately followed up with in writing
 - Documentation must provide sufficient rationale for the use of oral solicitations





Domestic Source Restrictions

Foreign Acquisitions, [FAR 25](#) and [DFARS 225](#):

- Buy American Act:
 - Restricts the purchase of non-domestic supplies for use within the US. Does not apply to articles, materials and supplies used outside the US. [FAR 25.001](#)
- Balance of Payments Program
 - Applies to purchases of supplies or construction materials for use outside the US; exceptions found in [DFARS 225.75](#)
- Trade Agreements Act
 - Presidential authority to waive the Buy American Act, et al for eligible products from countries that have signed an international trade agreement with the U.S., (19 USC 2501; [FAR 25.4](#))
- Berry Amendment
 - Requires that specific items originate in the US if they are purchased with DoD funds ([DFARS 252.225-7012](#))





Other Unique Contracting Considerations

Synchronized Predeployment and Operational Tracker (SPOT):

- System for contractor personnel accountability and visibility
- Mandated per [DFARS 252.225-7040\(g\)](#) for all CAAF serving in a declared contingency, humanitarian or peacekeeping, or other military operations.

Theater Business Clearance:

- TBC allows the combatant commands to have both visibility and a level of control over all contracts executing or delivering contracted support

Defense Base Act Insurance

- Required in all contracts for services that are to be performed outside the US, whether or not the personnel performing those services have CAAF status



See also Chapter 4 in the DCC Handbook



Payment Information

Wide Area Workflow ([WAWF](#))

- Web-based system for contractors and authorized DoD users to generate, capture, and process receipt and payment documents

Payment in Local Currency, [FAR 25.1002](#)

- The preferred payment method for contracts with local foreign firms, unless an international agreement provides for payment in dollars or the CCO determines the use of local currency to be inequitable or inappropriate
- It is a preferred practice to use electronic funds transfer (EFT) when making payments to vendors or contractors.





Payment Information

CCO's Currency Declaration, [FAR 25.1002](#)

- Influx of US dollars can devalue local currency; CCO has authority to declare currency, must discuss the subject with the embassy, host nation liaison office, staff judge advocate, and accounting and finance office.

Choice of Law, [DFARS 233.215-70](#)

- Each contract should contain a contract clause stating that the laws of the US apply to the contract, will be interpreted IAW the laws of the US, and disputes handled IAW disputes clause.





Pre-award Determinations and Memorandums

Price Negotiation Memorandum, [FAR 15.406-3](#):

- CCOs should always engage in aggressive negotiations based upon pre-negotiation objectives ([FAR 15.405](#))

Negotiating Practices:

- First price quoted is usually only a starting position for negotiations
- Be advised many foreign contractors can be shrewd negotiators
- Negotiating for lower prices is a normal (and necessary!) business practice
- Two or three rounds of exchange may be the most prudent and effective way to get an effective price
- The CCO's bargaining position is enhanced when the product or service is available elsewhere, or the requirement is not urgently needed





Pre-award Determinations and Memorandums

Fair and Reasonable Prices:

- A memorandum, explaining how fair and reasonable prices were obtained by the CCO and the basis for the price reasonableness determination, shall be included in the contract file, [FAR 15.402](#)

Certified Cost or Pricing Data:

- Any *negotiated* contract or modification in excess of \$700K will require the contractor to submit certified cost or pricing data, unless an exception applies, [FAR 15.403-4\(a\)\(1\)](#).

Exceptions include:

- Acquisition is at or below the SAT
- Prices are based on adequate price competition
- Items being acquired are commercial





Pre-award Determinations and Memorandums

Independent Government Estimate:

- Generally used for commercial items, supplies, equipment and simple services that are routinely available on the open market at competitive prices
- Required on all contract requirements over the SAT and must be independently developed based on a comparison and analysis of factors such as historical prices paid and market survey information

Responsible Prospective Contractor, [FAR 9.103\(a\)](#):

- Awarded contracts only to responsible prospective contractors, which is an entity that meets the criteria in [FAR 9.104-1](#)
 - A CCO is responsible for researching and determining if a contractor is deemed responsible
- The Contractor Performance Assessment Rating System (CPARS) is used to document contractor performance information required by the FAR.





Pre-award Determinations and Memorandums

Excluded/Debarred/Restricted Sources Check:

- CCOs shall check the [Systems for Award Management](#), Embassy Business Restrictions List, and Department of Treasury Web site
- CCO is responsible for safeguarding contractor information; will be informed, upon AOR arrival, how strict to safeguard information

Host Nation First Programs (e.g. Iraq/Afghan First)

- Contracting agencies were encouraged to partner with local vendors to develop effective production and distribution systems that will help obtain quality products and supplies





Contract Forms

Contractual Instruments for Contingency:

- SF 44 ([DFARS 253.213](#)) and the new [3in1 Tool](#):
 - Primarily for on-the-spot, over-the-counter purchases of supplies and non-personnel services
 - *Conditions for use*: Immediately available; one delivery and payment; purchase amount is below micro-purchase threshold (but up to the SAT for a warranted CCO)
- [DD Form 1155](#), *Order for Supplies or Services*:
 - Primarily self-contained, one-time contracts which typically result in one delivery/one payment





Contract Forms

SF 1449 Solicitation/Contract/Order for Commercial Items:

- For commercial items/services up to \$6.5M purchased under SAP, or up to \$12M if used to support a contingency operation
- Note: If used to support a contingency, CCOs should use simplified trade off source selection techniques found in FAR [15.101-1](#)

Purchase Orders

- SF 1449 is authorized for the purchase of commercial items exceeding the SAT, but not exceeding \$6.5M or up to \$12M if to be used in support of a contingency operation; only firm-fixed-price instruments may be used

DD Form 1155 or SF 1449 as a Task or Delivery Order

- Forms can be used against requirements-type contract
 - Delivery orders = supplies
 - Task orders = services





Blanket Purchase Agreements

Blanket Purchase Agreements, [FAR 13.303](#):

- A simplified method of filling anticipated repetitive needs for supplies or services by establishing charge accounts with qualified sources
- Designed to reduce administrative costs and time in conducting simplified acquisitions
- Individual purchases using BPAs shall not exceed the SAT
- BPAs shall contain all clauses required in accordance with [FAR 13.303-4](#) and [13.303-8](#), statutes, and executive orders
- BPAs are not contracts, they are agreements





Blanket Purchase Agreements

Blanket Purchase Agreements:

- Conditions for Use:
 - When there is a wide variety of items in a broad class of goods (e.g. hardware) needed but the exact items/quantities/delivery are unknown in advance
 - Individual purchases are not expected to exceed the SAT
 - Should be established without a purchase request
 - Shall not cite accounting and appropriation data
 - When there are multiple suppliers that provide similar products/services





Source Selection Process

Source Selection Processes and Techniques

- The objective is to select the proposal that represents the best value to the government, per FAR 15.302 and DFARS 215.3
- For competitive contract actions using SAP: the procedures at FAR 13.106 apply, which provides broad CO discretion in fashioning evaluation procedures
 - Know the various review thresholds at your deployed location (for example, acquisition plan, source selection plan, source selection authority, solicitation/contract review, other than full and open competition, and non-DoD contracts and delivery orders)
- A source selection plan shall be prepared and approved by the source selection authority for all contract actions over \$1.5M that utilize FAR 15.3 procedures (written IAW DFARS 215.303)



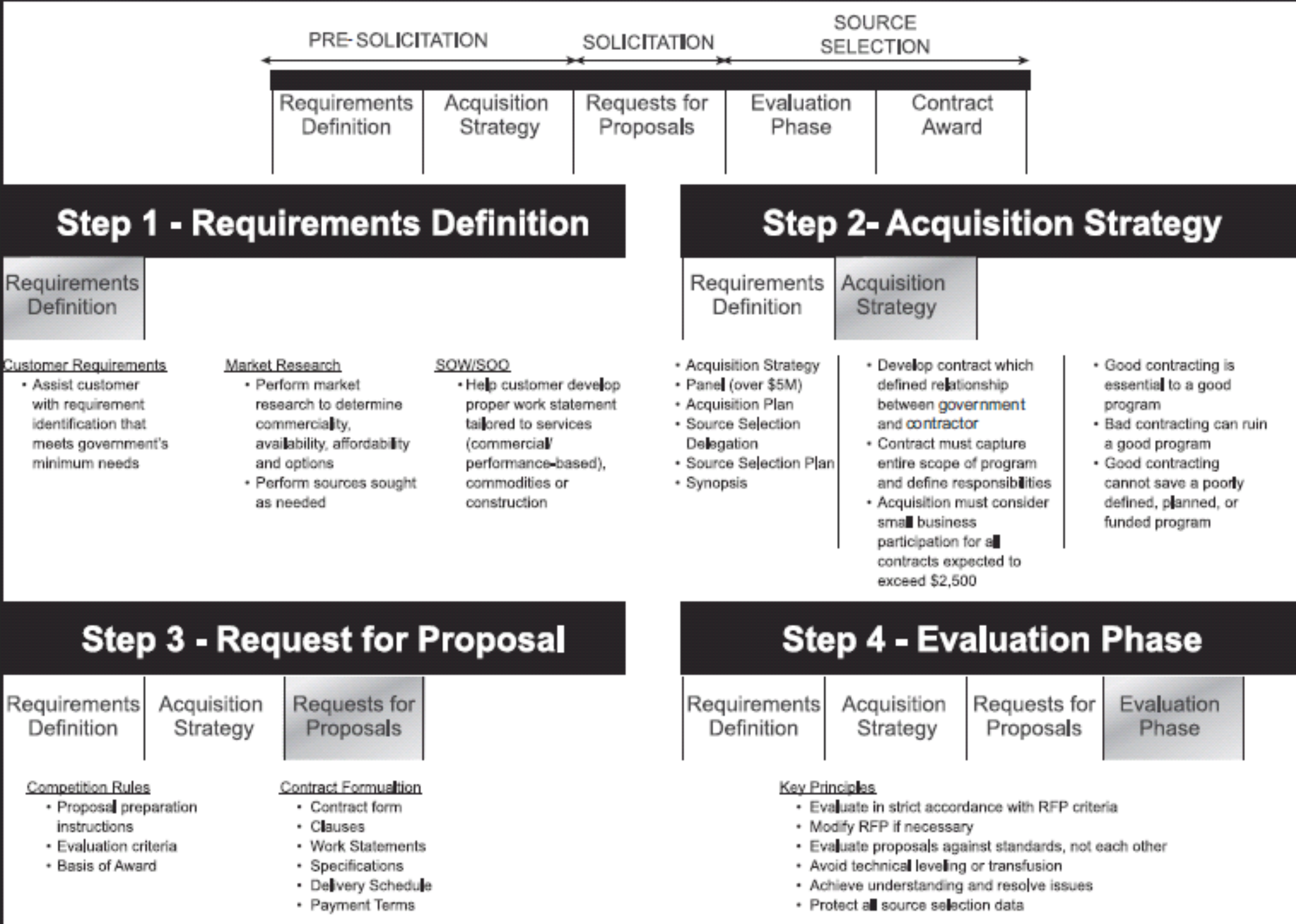
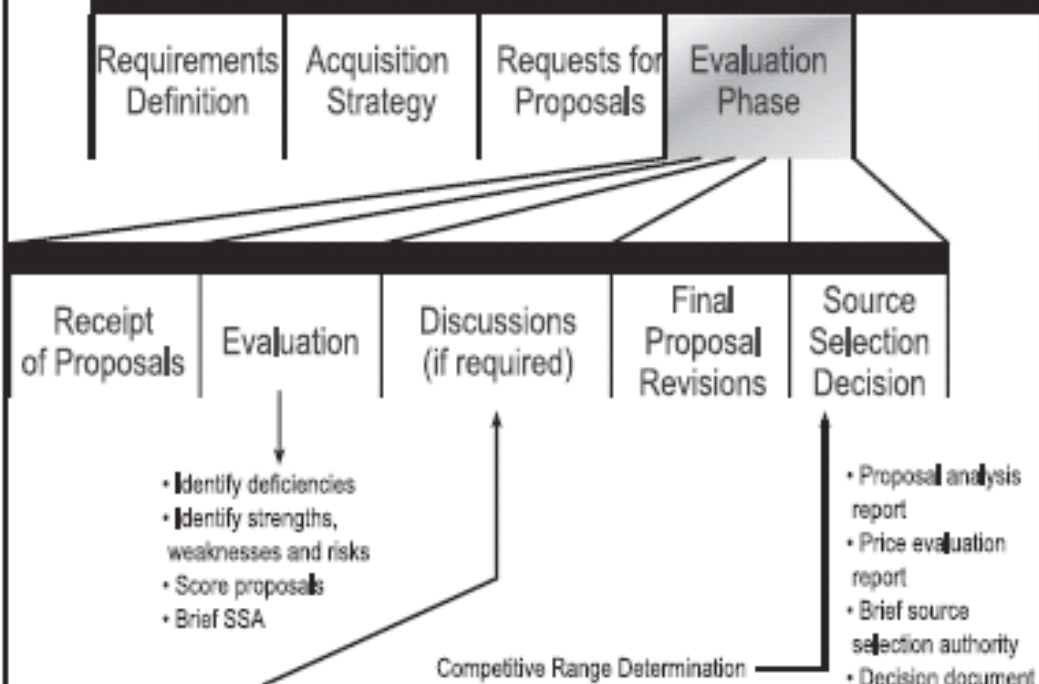
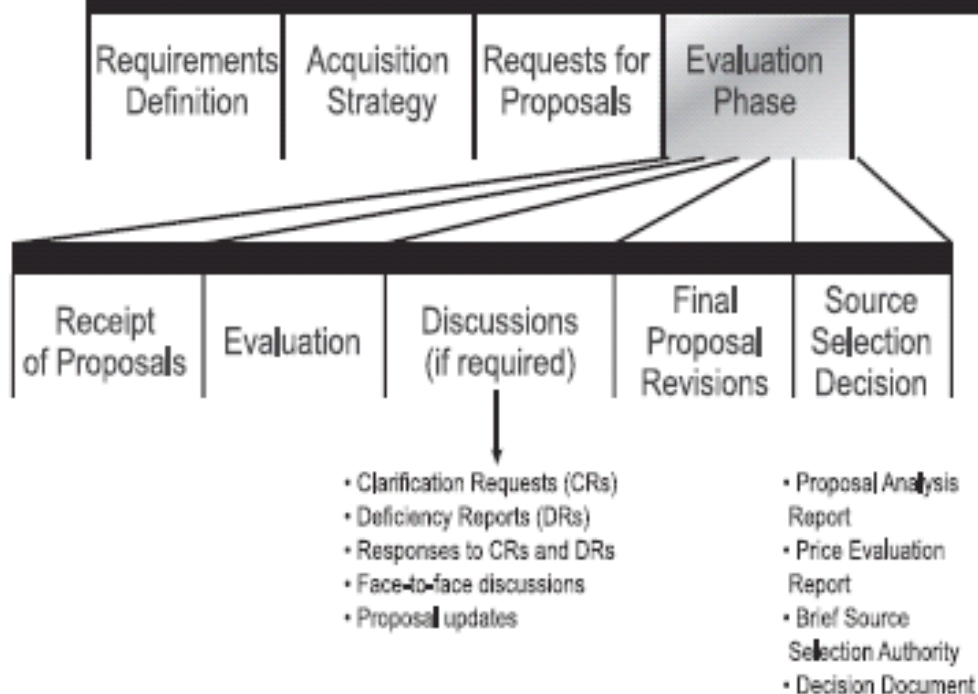


Figure 8. Acquisition Process, Part 1

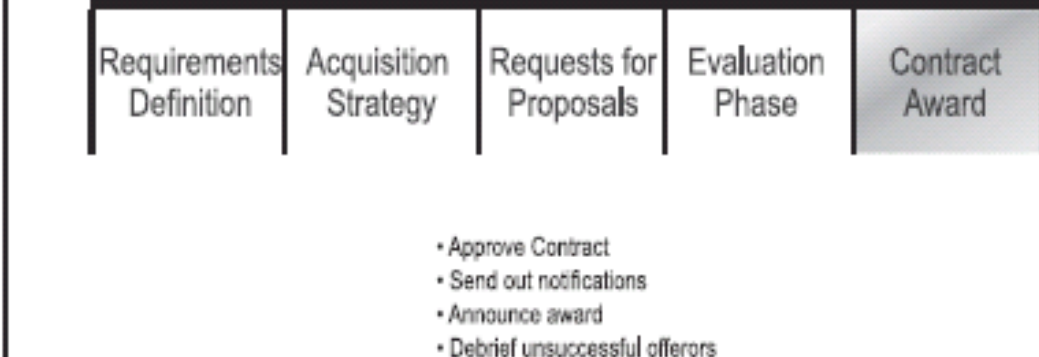
Step 4 - Alt 1 (without discussions)



Step 4 - Alt 2 (with discussions)



Step 5 - Contract Award



Post Award

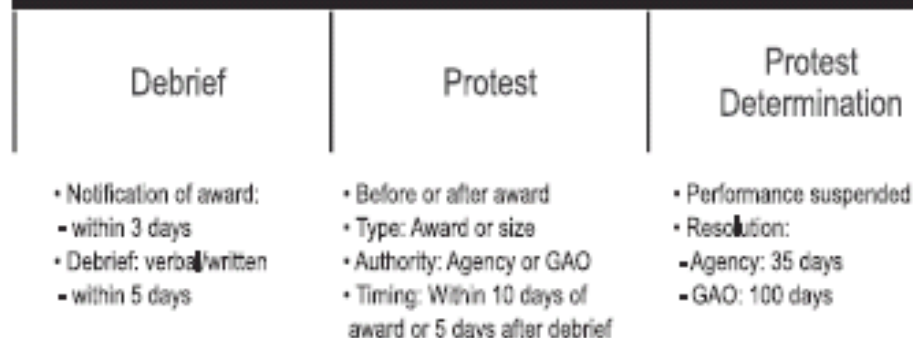


Figure 8. Acquisition Process, Part 2



Source Selection Process

Best Value and Trade-Off:

- The relative importance of price may vary depending on the acquisition, so evaluation factors and their relative importance (when not using SAP) must be clearly stated in the solicitation and otherwise comply with the requirements of [FAR 15.101-1](#)
- The perceived benefits of a higher priced proposal must be demonstrated to merit the additional cost
 - The LPTA [lowest price technically acceptable] source selection process is appropriate when best value is expected to result from selection of the technically acceptable proposal with the lowest evaluated price
 - The PPT [performance price trade-off] source selection process allows for performance being the only trade-off for price





Source Selection Process

Source Selection and Commercial Items,

[FAR 12.203](#):

- To the maximum extent practicable, COs shall use the policies and procedures for solicitation, evaluation, and award described in [FAR Part 13](#), for procurements under \$12M; otherwise, COs should use [FAR 15.3](#)

Evaluation Factors for Award, [FAR 15.304](#):

- Sound evaluation factors must be qualitative in nature and represent the key areas of importance to be considered in the source selection process, including past performance

Proposal Evaluation and Discussions:

- All solicitations shall state that the government intends to make award without discussions, unless the CO determines that discussions are necessary.





Source Selection Process

Source Selection Decision (SSD) and Documentation:

- SSD, [FAR 15.3](#), must be prepared for all source selections when not using SAP
 - Elements: background of the acquisition, the evaluation criteria, a summary of the technical and past performance evaluations, and a summary of the proposed prices
- Source Selection Authority (SSA) will document the independent, integrated assessment and make the source selection decision
 - The SSA shall not receive a recommendation from any individual or body as to who shall receive the award, nor shall the SSA receive a rank order or order of merit list of the offerors
 - The completed SSD shall be submitted to the SSA for the required approval





Source Selection Process

Responsibilities of the SSA:

- Establish or appoint a source selection evaluation board (SSEB); appoint source selection advisory council, as necessary: [FAR 15.303\(b\)\(1\)](#)
- Approve strategy / acquisition plan prior to release: [FAR 15.303\(b\)\(2\)](#)
- Approve source selection plan: [DFARS 215.303\(b\)\(2\)](#)
- Approve RFP prior to release; SSA to ensure consistency between solicitation requirements, notices to offerors (amendments), proposal preparation instructions, evaluation factors and subfactors, solicitation provisions and clauses, and data requirements: [FAR 15.303\(b\)\(3\)](#)
- Ensure that conflicts of interest, or the appearance thereof, and unauthorized disclosure of source selection information are avoided
- Ensure evaluation of proposals is based solely on factors and subfactors in the RFP: [FAR 15.303\(b\)\(4\)](#)
- Review SSEB evaluation results: [FAR 15.303\(b\)\(5\)](#)
- Perform an integrated assessment of the evaluation results and select the source whose proposal represents the best value to the government: [FAR 15.303\(b\)\(6\)](#)





Source Selection Process

Selecting Sources Through Sealed Bidding Procedures:

- 1. Preparation of Invitations for Bids:** invitations must describe the requirements of the government clearly, accurately, and completely; unnecessarily restrictive requirements that might unduly limit the number of bidders are prohibited
- 2. Publicizing the Invitation for Bids:** proper distribution to prospective bidders, posting in public places, and other appropriate means; must give sufficient time to enable prospective bidders to prepare and submit bids
- 3. Submission of Bids:** bidders must submit sealed bids to be opened at the time and place stated in the solicitation for the public opening of bids
- 4. Evaluation of Bids:** Bids shall be evaluated without discussions
- 5. Awarding the Contract:** the chosen award will be most advantageous to the government, considering only price and the price-related factors included in the invitation

- See [FAR 14.101](#) for additional detail.





Paying Agent Duties

- DoD FMR, Volume 5, [Paragraph 020205](#)
- CCOs are not normally designated as paying agents, violates the concepts of checks and balances
- Paying agent appointment will include:
 - Description of the type of payments to be made
 - Amount of funds to be advanced
 - Period of time the appointment covers
 - An acknowledgment of acceptance of said appointment to include a statement that the member has been counseled as to the pecuniary liability of the duty





Paying Agent Duties

Cash Advances:

- The amount of cash given to the paying agent by the disbursing office is governed by:
 - Facilities available for replenishment of funds
 - Anticipated mission requirements
 - The capability to safeguard funds
- The appointing order specifies the maximum amount to be advanced to the paying agent
- When advancing cash, the CCO should obtain a receipt on the DD 1081 *Statement of Agent Officers Account* or a SF 1165 *Receipt for Cash Subvoucher*
- The disbursing officer should be told of any losses or shortages as soon as possible





Paying Agent Duties

Options Instead of Advance Payments:

- Request disbursing officer pay cash to vendor
- Request disbursing officer pay vendor for subcontractor work

Considerations:

- Advance payments are used as a last resort and are the least preferred contracting payment arrangement
- Use [SF 44](#) or [DD 1155](#)
- Try to convince the vendor to accept [SF 44](#), [SF 1449](#) and explain how prompt cash payment works
- Explain to the customer that the CCO may decide not to do business with a vendor that will only accept advance payments, and the CCO will look for other sources
- Advance payments are acceptable for subscriptions, [FAR 32.404\(a\)](#), use clause [52.213-2](#)





Paying Agent Duties

Partial Payment:

- The CCO will place a statement on the invoice so finance knows the invoice is a partial, not a final payment
 - Finance guidance for partial payment, DoD FMR Volume 10, [Section 1003](#)
 - Exceptional circumstances only, [FAR 32.403\(h\)](#)

Settlement of Paying Agent Account:

- After deployment operations or when the disbursing office resumes operations, the paying agent will terminate this account with the disbursing office
- The paying agent will obtain a copy of DD Form 1081, *Statement of Agent Officer's Account*, showing the account reduced to zero





Field Ordering Officers and Ordering Officers

Field Ordering Officers (FOO):

- The individual will use the [SF 44](#) if CCO provided written authorization, must be trained, teamed with a paying agent

Designation:

- CCO may designate a DoD employee from within or outside the contracting organization; no contractors allowed
- CCO is responsible to prevent violations of the law
- FOOs are appointed in writing by the CCO with the authority to execute micro-purchases (via the use of [SF 44](#) or ESF 44)





Field Ordering Officers and Ordering Officers

Nomination, Appointment, and Termination:

- Commander will nominate by name to the CCO for appointment
- Revocation must be made in writing

Qualification and Training:

- FOO candidate must review the standards of conduct, DoDD 5500.7-R *Joint Ethics Regulation*, annually
- CCO to develop an effective FOO training program, which candidate must complete prior to appointment
- In larger contingencies, the COCO would be responsible for management and oversight of FOO/OO decentralized purchasing programs





Field Ordering Officers and Ordering Officers

Authority and Responsibilities:

- Scope of authority limits all FOOs to specific obligation limit
- The FOO must review written appointment and completely understands of the scope and limitations of authority
- Prior to any purchase, FFO must receive written appointment orders from the CCO and must receive a funded document from the comptroller, showing a fund cite with a specific dollar amount, which cannot be exceed
- If additional funds are required, FOO must request and receive more funds from the comptroller before proceeding with any purchases





Field Ordering Officers and Ordering Officers

- After a valid PR is received by the FOO, must consider:
 - Are funds available?
 - Does the FOO have authority to purchase the item?
 - Are the supplies available in the system or other government source?
 - Is this the most efficient purchase method?
- The FOO must then record all requests for purchase in a logbook, as approved by the CCO; must maintain:
 - Original PR document
 - Copy of the [SF 44](#) used for the purchase
 - Original receipt of the purchase
 - Receipt for property received (RPR)
- Investigate whether you can use the new [3in1 Tool](#) during your deployment





Field Ordering Officers and Ordering Officers

Limitations:

- FOOs may not redelegate authority; CCO may set additional limitations

Separation of Functions:

- The FOO shall avoid being a paying agent, certifying official, or the recipient of products or nonpersonal services to ensure the integrity of the process

Evaluation, Documentation, and Reconciliation:

- FOO under the supervision of the CCO.
- FOO's purchase documents shall be reviewed and reconciled by the CCO, to be documented on the FOO clearance letter
- Can be done electronically when using the 3in1 Tool
- FOO will reconcile his or her account with the paying agent
- Any potential case of waste, fraud, or abuse will be immediately forwarded by the CCO to the appropriate legal office for review





Field Ordering Officers and Ordering Officers

FOO Violations:

- The CCO may revoke the FOO appointment for any violations of regulations, orders, or statutory authority. Decentralized purchasing programs have an increased risk of becoming problematic to administer.
- Typical violations include, but are not limited to:
 - Unauthorized commitments
 - Making purchases above authorized limits
 - Splitting requirements to stay below authorized thresholds
 - Purchases outside the purpose of the appropriated funds
 - Purchasing items not authorized under local programs, BPA price lists, or not authorized by the CCO
 - Delinquent reconciliation with the CCO
 - Training delinquencies





Contract Tracking and Reporting

Procurement Instrument Identification Numbers (PIIN):

- Aids in tracking all contract actions
- DFARS 204.70 prescribes policies and procedures for assigning numbers to all solicitations, contracts, and related instruments

PIIN Logs:

- CCOs must obtain blocks of PIINs assigned for their use and must also design and implement a log system for local use, such as Microsoft Excel to automate PIIN system
- PIIN log will capture and number, dollar value of request and award, delivery data, payments data, and more

DoDACC	Last 2 digits of FY	Instrument Type	Serial #	Supplemental #
N00062	10	D	0001	0005





Contract Tracking and Reporting

Contract Action Reporting (CAR), [FAR 4.601](#):

- Required for all contract actions that obligate or deobligate funds above \$3,000 within 3 business days of executing an action
- OCONUS reporting may not be possible due to the lack of Internet connectivity, should be reported upon arrival to an area where Internet connectivity is available, [PGI 204.606\(1\)\(iii\)](#)
- The CAR can be created on the Federal Procurement Data System-Next Generation ([FPDS-NG](#)) Web site
 - Replaces the DD Form 350, Individual Contracting Action Report, and DD 1057 *Monthly Summary of Contracting Actions*, reports





Unauthorized Commitments and Ratifications

Unauthorized Commitment

“An agreement that is not binding ***solely*** because the Government representative who made it lacked the authority to enter into that agreement.” [FAR 1.602-3](#)

Ratification

“The act of approving an unauthorized commitment by an official who has the authority to do so, for the purpose of paying for supplies or services provided to the government as a result of an unauthorized commitment.” [FAR 1.602-3\(a\)](#)





Unauthorized Commitments and Ratifications

- Unauthorized commitments need to be resolved as quickly as possible
- Processing a ratification involves determining if the action should be ratified into a contract and then creating the contract document
- Ratification authority and specific thresholds are granted from the HCA to the SCO, who may delegate that authority to a level no lower than the RCC chief
- Actions that do not meet the criteria are deemed non-ratifiable and are subject to resolution by the Government Accountability Office under its claim procedures





Unauthorized Commitments and Ratifications

FAR 1.602-3(c), Unauthorized Commitments may be ratified if:

- Supplies or services have been provided and accepted by the government, or the government otherwise has obtained or will obtain a benefit
- The ratifying official has the authority to enter into a contractual commitment
- The resulting contract would otherwise have been proper if made by an appropriate contracting officer
- Funds are available and were available at the time the unauthorized commitment was made
- The CO determines the price to be fair and reasonable
- The CO recommends payment and legal counsel concurs in the recommendation, unless agency procedures expressly do not require such concurrence
- The ratification is in accordance with any other limitations prescribed under agency procedures





Chapter Acronyms

- AOR – Area of Responsibility
- BPA – Blanket Purchase Agreement
- CAAF – Contractors Authorized to Accompany the Forces
- CAP – Civil Augmentation Program
- CAR – Contract Action Reporting
- CCO – Contingency Contracting Officer
- CONUS – Continental United States
- COR – Contracting Officer's Representative
- D&F – Determination and Findings
- DBA – Defense Base Act
- DD – Department of Defense (Form)
- DFARS – Defense Federal Acquisition Regulation Supplement
- DoD – Department of Defense
- DoDD – Department of Defense Directive
- EFT – Electronic Funds Transfer
- FAPIIS – Federal Awardee Performance and Integrity Information System
- FAR – Federal Acquisition Regulation
- FFP – Firm-Fixed-Price
- FMR – Financial Management Regulation
- FOO – Field Ordering Officer
- FPDS-NG – Federal Procurement Data System—Next Generation
- GPC – Government Purchase Card
- HCA – Head of Contracting Activity
- HQDA – Headquarters Department of the Army
- IACR – International Agreement Competitive Restrictions
- IAW – In Accordance With
- J&A – Justification and Approval
- LPTA – Lowest Price Technically Acceptable
- MILCON – Military Construction
- NAFTA – North American Free Trade Agreement
- NDAA – National Defense Authorization Act
- NTE – Not to Exceed
- NTV – Nontactical Vehicle





Chapter Acronyms

- OCONUS – Outside Continental United States
- PIIN – Procurement Instrument Identification Number
- PNM – Price Negotiation Memorandum
- PPIRS – Past Performance Information Retrieval System
- PPT – Performance Price Trade-Off
- PR – Purchase Request
- RCC – Regional Contracting Center
- RFP – Request for Proposal
- RPR – Receipt for Property Received
- SAP – Simplified Acquisition Procedures
- SAT – Simplified Acquisition Threshold
- SCO – Senior Contracting Official
- SF – Standard Form
- SPOT – Synchronized Predeployment & Operational Tracker
- SSA – Source Selection Authority
- SSD – Source Selection Decision
- SSEB – Source Selection Evaluation Board
- UCA – Undefined Contract Action
- US – United States
- USCENTCOM – United States Central Command
- USC – United States Code
- WAWF – Wide Area Workflow





**Agile Contracting Support...Anytime...
Anywhere**

